

# **VIRGINIA RECYCLING MARKETS DEVELOPMENT COUNCIL**

**March 6, 2008**



**10:00 AM  
DEQ Piedmont Office  
Glen Allen, VA**

## **DRAFT MINUTES**

### **1. Welcome and Introductions:**

Tom Smith, RMDC Chair, called the meeting to order at 10:05 A.M. and welcomed the members of the Virginia Recycling Markets Development Council and members of the public to the meeting. He announced that quorum of appointed members was present and asked attendees to identify themselves. Those who were present for some or all of the meeting are noted below:

<b>RMDC</b>	<b>Representing</b>	<b>Absent RMDC</b>	
Richard Lerner	Metal Industry	Sean Kumar	Public At Large
John Kline	Tires	Philip Abraham,	Plastics Industry
Tom Smith-Chair	VACO	Brian Vickers- (potential member)	Glass Industry
Georgiana Ball	VDGS	William Vehrs	VDBA
Michael Ward	Oil Industry	Michael Benedetto	Paper Industry
Bernard Harris	Waste Industry	Open	Rural PDC
Robert Broom	Composting Industry		
Jimmy Sisson	Recycling		
Chip Goyette	Urban PDC		
William Bailey	VDOT		
Eric Fidler	Electronics		
Christine McCoy	VML		
Stephen Thompson	Aluminum		
Mike Murphy	VDEQ		

### **Visitors/guests**

Stephanie Papps	JLARC
Kate Sicola	Co. of Fairfax
Ed Hollos	Resource International

### **2. Approval of Agenda and Minutes**

The Chair asked the committee members to review the meeting agenda. No objections were raised so the proposed agenda was accepted. Minutes from the December 7, 2007 meeting were reviewed and minor changes made. A motion to

approve those minutes was made by Mr. Thompson, seconded by Mr. Fidler, and approved by the Council.

### **3. Old Business**

#### Update on JLARC Waste Reduction and Recycling Study

Chairman Smith noted that Stephanie Papps with JLARC was present and asked her to update the group on JLARC recycling study. She indicated that work had begun and interviews and surveys of localities along with additional planning and research were taking place. The report recording date has been shifted to September of 2008 and the focus is now been expanded to include three additional areas: compact florescent light bulbs, plastic bags, and bottle bill legislation.

#### Reports from Local Government Assistance Subcommittee, Tax Credit Legislation Subcommittee:

Chairman Smith called on the Local Government Subcommittee leader, Chip Goyette, to discuss the survey which was discussed at the September 2007 meeting. Mr. Goyette reported that the survey is ready to go but mentioned concerns with adequately tracking the responses. After some general discussion, it was decided that the responses may be enhanced if the DEQ was listed on the survey as the response recipient since the same survey audience already communicates with DEQ on their recycling rate information. Mr. Murphy indicated a willingness to see if the survey could be routed through Steve Coe at DEQ.

Mr. Benedetto, chair of the Tax Credit Subcommittee was absent from the meeting but submitted a handout (attached to these minutes). While expansion of the tax credits does not seem to be feasible at this time or the near future, discussions focused on how it would be helpful to clarify what actually qualifies for the tax credits in law and what type of companies are receiving it. Before any expansion of the tax credit could be considered, such base information needs to be determined. Mike Murphy of DEQ indicated this could be looked at further and he also provided a handout (attached) which lists the numbers of individuals and companies which have received the tax credits over the last seven years. Ms. McCoy indicated that the VRA may be able to inquire in the survey of their members, who has applied for the credits.

### **4. New Business**

#### DEQ legislative update

Mr. Murphy distributed a handout of bills (attached) that had passed the Virginia General Assembly which dealt with recycling or related issues. He indicated he would provide a list of failed legislation separately. There was discussion on several of the bills, especially HB 344 dealing with requirements that computer manufacturers implement recovery

plans for recycling and reuse of computers, and SB 648 requiring DEQ to establish a hotline for used oil recycling information. Also during this part of the meeting, some discussion took place on the glass recycling program from bars and restaurants in North Carolina and how that may be pressed in Virginia in the future. If so, it is important to note that there is no glass processing plant in Virginia now and that information should be gathered from ABC licensees regarding obstacles in Virginia for bottle and glass recycling at restaurants and bars. In closing, Mr. Murphy also pointed out that some legislative measures during this session considered having the VRMDC carry out a study but no funds flow to our group to conduct any significant work. He also reminded the group that the legislation authorizing the VRMDC does also authorize the General Assembly to ask our group to focus on or consider particular issues. It was the consensus of the Council that it is willing to look into any issues requested within the resources available. There is a lot of expertise available from the persons appointed to the Council.

Mr. Goyette suggested that the Council invite a Delegate and/or Senator to a future meeting to discuss recycling issues. Mr. Murphy indicated that this has been done in the past. It was agreed that this should be arranged at a future meeting. Chairman Smith will coordinate with Mr. Murphy on inviting a Delegate/Senator for the next meeting.

#### Nominating Committee for Officers 2009

Chairman Smith recommended that he, Michael Ward (current Vice Chair) and Phil Abraham (Past Chair) be appointed as a nominating committee for officers next year. The Council unanimously approved the committee appointments. Chairman Smith asked if anyone was interested on being an officer of the Council, to let him know. New officers will be nominated and voted on at the June meeting.

### **5. Market Report:**

#### Discussion of Disposal of CFL's (Compact Florescent Lights)

Chairman Smith reported that there have been a lot of discussions throughout the Commonwealth on disposal programs for CFL's. With the increasing awareness on energy efficiency, consumers are now buying more CFL's and asking local government officials about disposal. Most localities take CFL's as part of its Household Hazardous Waste program. More drop off and disposal options need to be developed.

Ms. McCoy stated that Northern Virginia localities are attempting to work with retailers to set up take back programs. Arlington County is also starting a pilot program at local libraries. She will get more information and report to the Council at the next meet.

Mr. Fidler indicated that CFL's do contain a small amount of mercury. However, new LED lighting technology may make CFL's obsolete in a few years. LED's do not contain mercury or other hazardous materials.

The Council will continue to monitor this issue. A presentation from a light manufacturer

## **6. Public Comment/Adjournment**

Mr. Murphy reminded the Council that the annual recycling reports are due to DEQ by April 30. The reporting forms have changed this year. There is a PowerPoint training presentation on the DEQ web site.

Ms. Sicola announced the VRA conference will be held May 19-20 at Virginia Beach. More information can be obtained at the VRA web site, [vrarecycles.org](http://vrarecycles.org)

The meeting adjourned at 11:45 AM. The next meeting will be held on June 5, 2008 at 10:00 AM. Mr. Sisson agreed to host the meeting at his C&D Recycling Facility in Chesapeake. Directions will be provided to the Council prior to the meeting.

## **Recycling Tax Credit Legislation Subcommittee Report**

**Members: Michael Benedetto; Georgiana Ball; Phil Abraham**

### **March 6<sup>th</sup> Report and Notes:**

On 12/10/07, I spoke with Michael Locher of Goodman and Company. Mr. Locher has experience with the Tax Credit Legislation and has provided guidance for the state in establishing guidelines. We discussed the benefit of adding containers used 100% for recycling to the tax credit legislation. Mr. Locher shared that this is not currently included in the legislation and that some fear may exist about the potential amount. Mr. Locher stated that loaders and forklifts are allowed, as well as cranes without licenses. With a tightening budget, Mr. Locher suggested that expanding the eligible items at this time may jeopardize the whole program.

It was suggested that:

- a) VRMDC provide financial estimates of any expansion of the existing legislation
- b) VRMDC provide guidance whereby credits will encourage investment where investment would not otherwise take place.
- c) VRMDC recommendations to reward investments which are environmentally responsible to the state.

Mr. Locher suggested that additional efforts continue on a local basis - to offer partial or full exemptions. This can be accomplished without the VRMDC. And, the VRMDC become involved to the extent possible with the JLARC study on Waste Minimization, Reuse, and Recycling.

My suggestion is to open this up for discussion and suggest future Action Items.

This concludes the report.

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Draft minutes from 12/7/07 meeting:

### Reports from Local Government Assistance Subcommittee, Tax Credit Legislation Subcommittee:

The Tax Credit Subcommittee headed up by Mr. Benedetto, reported consideration of a recommendation to extend the recycling equipment tax credit to non-stationary or moveable equipment. A lengthy discussion ensued as to the determination of what "processing" equipment is and qualifies for the credit. (balers, grinders, pugmills, trucks, etc.) Mr. Sisson noted that when the tax credit is applied for, the state Tax Department investigates the particular equipment to determine if it does or not. Mr. Coe noted that

DEQ reviews the application in that regard as well. Mr. Abraham suggested that the fiscal impact of what credits are awarded now should be determined before asking for extensions to broader equipment categories and that this session would not be an appropriate time to seek any tax credit add-ons due to the pressure on the state budget. Chairman Smith suggested that DEQ contact the appropriate tax credit inspectors with both that agency and the Tax Department to determine what guidelines they use to make their determination. Mr. Coe agreed to follow-up on that question and report back. Some discussion took place on the concept of tax credits for set-aside space or rooms in buildings where recycling takes place, but there were no high expectations among Council members that that would be available anytime soon.

**Action Item:**

Mr. Steve Coe / DEQ: Contact the appropriate tax credit inspectors with both that agency and the Tax Department to determine what guidelines they use to make their determination and report back to the VRMDC.

# 2008 Session Legislation

Bill Number	Catch line	Patron	Current Status	Description
HB0343	Cathode ray tubes; disposal bans.	Plum	SIGNED BY GOVERNOR	Permits localities to prohibit the disposal of cathode ray tubes in any waste-to-energy or solid waste disposal facility within its jurisdiction, provided the locality has implemented a recycling program that is capable of handling all cathode ray tubes generated within its jurisdiction. Previously the ban only applied to privately operated landfills.
HB0344	Computer and Television Recovery and Recycling Act; adoption & implementation of recovery plan.	Plum		Requires the manufacturer of computer equipment and televisions to adopt and implement a recovery plan providing for the reasonably convenient collection, recycling, and reuse of computer equipment and televisions returned by a consumer in the Commonwealth.
HB1332	DEQ; authority to issue and enforce permits, etc. related to air and water pollution.	Landes		Vests the authority to issue and enforce permits (including general permits), licenses, and certificates related to air and water pollution with the Director of the Department of Environmental Quality.
HB1398	Tire recycling fee; extended until July 1, 2011.	Gear	SIGNED BY GOVERNOR	Extends, until July 1, 2011, the \$1.00 recycling fee imposed on each new tire sold; thereafter, the fee is reduced to 50 cents. Under the current law the fee is to be reduced to 50 cents on July 1, 2008.
SB0322	Electric Utility Restructuring Act; defines municipal solid waste as source of renewable energy.	Wagner		Defines municipal solid waste as source of renewable energy under the Virginia Electric Utility Restructuring Act.
SB0423	DEQ; authority to issue and enforce permits, etc. related to air and water pollution.	Puckett	SIGNED BY GOVERNOR	Vests the authority to issue and enforce permits (including general permits), licenses, and certificates related to air and water pollution with the Director of the Department of Environmental Quality.
SB0646	Used motor oil; annual survey of individual practices.	Ticer		Requires the Department of Environmental Quality to conduct and publish an annual survey of consumers to analyze: (i) trends in the number of individuals who change their own motor oil, oil filters, or antifreeze...
SB0665	Tire recycling fee; extended until July 1, 2011.	Whipple	SIGNED BY GOVERNOR	Extends, until July 1, 2011, the \$1.00 recycling fee imposed on each new tire sold; thereafter, the fee is reduced to 50 cents. Under the current law the fee is to be reduced to 50 cents on July 1, 2008.
HJ0381	Celebrating the life of Kathy Rae Fahren.	Gox	PASSED BOTH HOUSE & SENATE	Celebrating the life of Kathy Rae Fahren.

Corporate Income Tax Credits - Recyclable Materials								
	2000	2001	2002	2003	2004	2005	2006	Totals Per Credit
Number of Returns	7	8	10	13	7	7	10	62
Dollar amount of Credits	\$200,035.00	\$56,862.00	\$54,472.85	\$327,273.23	\$34,623.00	\$144,007.00	\$296,970.00	\$1,119,243.08

Individual Income Tax Credits - Recyclable Materials								
	2000	2001	2002	2003	2004	2005	2006	Totals Per Credit
Number of Returns	62	93	44	70	55	59	31	414
Dollar amount of Credits	\$414,848.00	\$464,778.00	\$320,664.00	\$704,333.00	\$453,570.00	\$487,801.40	\$242,521.60	\$3,218,406.00